

NATIONAL DAIRY MARKET AT A GLANCE

CHICAGO MERCANTILE EXCHANGE (CME) CASH MARKETS (4/23):
BUTTER: Grade AA closed at \$2.2600. The weekly average for Grade AA is \$2.3067 (-.0358).

CHEESE: Barrels closed at \$2.1550 and blocks at \$2.2000. The weekly average for barrels is \$2.1605 (+.0205) and blocks, \$2.2000 (+.0200).

NONFAT DRY MILK: Extra Grade closed at \$0.9200 and Grade A at \$0.9200. The weekly average for Extra Grade is \$0.9200 (+.0060) and Grade A \$0.9200 (+.0060).

BUTTER: The butter market remains firm. However, the CME cash price has slipped three out of the last four sessions. Churning activity is up slightly this week as more excess cream is reported in many parts of the country. This extra cream is usually being processed without being shipped inter-regionally. Stocks of both bulk and packaged butter are often lighter than desired and some users are trying to build some inventory for anticipated summer needs. Reports of imported butter continue to surface in the marketplace, but information on volumes and prices is sketchy, at best.

CHEESE: The cheese market is unsettled. Cash cheese prices reached resistance levels with the cheese volume offered and sold up sharply from recent weeks. Barrels increased early in the week, but in later sessions lost that increase. Buyer resistance to current cheese prices has increased with more purchasing just hand to mouth. Manufacturing milk demand, at least in the upper Central region, has slowed as the volume has increased. Cheese production and milk production are steady to higher seasonally. Some milk supplies are being shifted to cheddar production from other varieties due to the slower sales for those varieties. CCC announced contracts were awarded to purchase between 7.2 and 17.3 million pounds of natural American cheese under Invitation 065 to BCD2. USDA intends to issue a supplemental invitation to seek an additional 2.9 million pounds of blocks as well as 10.3 million pounds of barrels that were not contracted under Invitation 065.

FLUID MILK: Milk production is laggingly trending higher throughout the nation. The most significant increases are seen in California and areas of the Northeast. As pastures seasonally develop, milk production is expected to continue to improve. Class I demand is generally reported as steady to lower. Higher prices and school recesses are factors relating to reduced interest in bottled milk. Some bottlers are reportedly working down inventories this week so they can "fill up the cooler" next week, just before Class I milk prices increase. Condensed skim movement is steady. Cream interest is fair at best as buyers adjust to butter prices that oscillate from week to week. Cream multiples are reported as steady to lower.

DRY PRODUCTS: Dry product prices are trending steady to higher. Limited spot trade activity is reported in most markets due in part to industry attendance at the annual ADPI meeting. Direct manufacturer sales of NDM are light. Resale NDM is reportedly trading in the low to mid \$.90's FOB. Buttermilk production and stocks are light. Spot trade is reported as nominal with most movement occurring steadily on contracts. Buttermilk prices are reported as unchanged. Whey prices are higher across the nation. Buyer resistance is noted in response to higher prices. Some producers are expressing concern that higher prices may deter export interest. Others note that production is reduced and supplies may therefore be short of contractual interest during the summer months. WPC prices are also trending higher while lactose prices are reported as steady.

CCC: During the week of April 19 - 23, CCC purchased 5,552,001 pounds and received cancellations for 476,192 pounds of NDM. (The purchase was for Export Donation Programs under Invitation 080 to announcement FMP1.) During the week of April 19 - 23, CCC did not sell back NDM to the trade in accordance with the CCC April 13 announcement that sellbacks of NDM would be discontinued until further notice.

FEDERAL MILK ORDER ADVANCE PRICES HIGHLIGHTS (DAIRY PROGRAMS): Under the Federal milk order pricing system, the base price for Class I milk for May 2004 is \$19.65, up \$6.01 from April and \$9.94 higher than last year. This price is derived from the advanced Class III skim milk pricing factor of \$11.50 and the advanced butterfat pricing factor of \$2.4437 per pound. Class I differentials specific to each county are added to the base price to determine the Class I price. The Class II skim milk price for May is \$6.74 and the Class II nonfat solids price is \$0.7489 per pound. The following are the two-week product price averages: butter \$2.1514, nonfat dry milk \$0.8179, cheese \$2.0530, and dry whey \$0.2611.

MARCH MILK PRODUCTION (NASS): Milk production in the 20 major states during March totaled 12.8 billion pounds, down 1.8% from March 2003. February revised production, at 11.8 billion pounds, was up 1.4% from February 2003. However, adjusting for leap year, February milk production was down 2.1% on a per day basis from last year. The February revision represented a decrease of 35 million pounds or 0.3% from last month's preliminary production estimate. Production per cow in the 20 States average 1,656 pounds for March, 10 pounds (0.66%) below March 2003. The number of milk cows on farms in the 20 States was 7.71 million head, 96,000 (1.2%) head less than March 2003, and 2,000 head less than February 2004. Milk production is the U.S. during January-March quarter totaled 42.7 billion pounds (unadjusted), down 0.9% from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 8.99 million head, 153,000 head less than the same period last year.

MARCH FEDERAL MILK ORDER PRICE AND POOL SUMMARY (DAIRY PROGRAMS): During March, about 7.8 billion pounds of milk were received from producers. This volume of milk is 27.4% lower than the March 2003 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is -2.0%) About 4.0 billion pounds of producer milk were used in Class I products, 4.5% higher than the previous year. Calendar composition had a positive impact on milk used in Class I in 2004 as compared to 2003. The all-market average Class utilization percentages were; Class I = 51%, Class II = 16%, Class III = 22%, and Class IV = 11%. The weighted average statistical uniform price was \$15.16 per cwt., \$1.94 higher than last month, and \$4.47 higher than last year.

MARCH COLD STORAGE (NASS): During March, U.S. cold storage holdings of butter totaled 155.1 million pounds, 2.0% less than a month ago and 36.7% less than last March. Natural American cheese holdings totaled 518.3 million pounds, 2.8% less than a month ago and 2.4% less than a year ago. Nonfat dry milk holdings at the end of February totaled 900 million pounds, 45 million pounds less than last month and 287 million pounds less than last February. The government holds 88.9% of the total nonfat holdings.

****SPECIAL THIS ISSUE****

MARCH COLD STORAGE (PAGES 7-8)
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TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, 2002-2004
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CHICAGO MERCANTILE EXCHANGE
CASH TRADING

CHEESE: carload = 40,000-44,000 lbs., NONFAT DRY MILK: carlot = 42,000-45,000 lbs., BUTTER: carlot = 40,000-43,000 lbs.

PRODUCT	MONDAY APRIL 19	TUESDAY APRIL 20	WEDNESDAY APRIL 21	THURSDAY APRIL 22	FRIDAY APRIL 23	WEEKLY CHANGE*	WEEKLY AVERAGE
CHEESE							
BARRELS	\$2.1700 (+.0150)	\$2.1675 (-.0025)	\$2.1550 (-.0125)	\$2.1550 (N.C.)	\$2.1550 (N.C.)	(N.C.)	\$2.1605 (+.0205)
40# BLOCKS	\$2.2000 (N.C.)	\$2.2000 (N.C.)	\$2.2000 (N.C.)	\$2.2000 (N.C.)	\$2.2000 (N.C.)	(N.C.)	\$2.2000 (+.0200)
NONFAT DRY MILK EXTRA GRADE	\$.9200 (N.C.)	\$.9200 (N.C.)	\$.9200 (N.C.)	\$.9200 (N.C.)	\$.9200 (N.C.)	(N.C.)	\$.9200 (+.0060)
GRADE A	\$.9200 (N.C.)	\$.9200 (N.C.)	\$.9200 (N.C.)	\$.9200 (N.C.)	\$.9200 (N.C.)	(N.C.)	\$.9200 (+.0060)
BUTTER GRADE AA	\$2.3450 (N.C.)	---	\$2.3150 (-.0300)	---	\$2.2600 (-.0550)	(-.0850)	\$2.3067 (-.0358)

*Sum of daily changes. # Weekly averages are simple averages of the daily closing prices for the calendar week. Computed by Dairy Market News for informational purposes. This data is available on the Internet at WWW.AMS.USDA.GOV/MARKETNEWS.HTM

CHICAGO MERCANTILE EXCHANGE

MONDAY, APRIL 19, 2004

CHEESE — SALES: 2 CARS BARRELS: 1 @ \$2.1600, 1 @ \$2.1700; 1 CAR 40# BLOCKS @ \$2.1975; BIDS UNFILLED: 1 CAR BARRELS @ \$2.1700; 1 CAR 40# BLOCKS @ \$2.2000; OFFERS UNCOVERED: 2 CARS 40# BLOCKS: 1 @ \$2.2200, 1 @ \$2.2500
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 9 CARS: 1 @ \$2.3050, 1 @ \$2.3075, 2 @ \$2.3100, 1 @ \$2.3450, 1 @ \$2.3475, 1 @ \$2.3450, 1 @ \$2.3475, 1 @ \$2.3450; BIDS UNFILLED: 2 CARS @ \$2.3000; OFFERS UNCOVERED: NONE

TUESDAY, APRIL 20, 2004

CHEESE — SALES: 4 CARS BARRELS: 1 @ \$2.1650, 3 @ \$2.1675; 3 CARS 40# BLOCKS @ \$2.2000; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$2.2000; OFFERS UNCOVERED: 2 CARS BARRELS: 1 @ \$2.1700, 1 @ \$2.1900; 1 CAR 40# BLOCKS @ \$2.2500
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

WEDNESDAY, APRIL 21, 2004

CHEESE — SALES: 6 CARS BARRELS: 1 @ \$2.1625, 1 @ \$2.1600, 1 @ \$2.1575, 1 @ \$2.1600, 1 @ \$2.1525, 1 @ \$2.1550; 3 CARS 40# BLOCKS @ \$2.2000; BIDS UNFILLED: 1 CAR BARRELS @ \$2.1175; 1 CAR 40# BLOCKS @ \$2.2000; OFFERS UNCOVERED: 5 CARS BARRELS: 1 @ \$2.1550, 1 @ \$2.1575, 2 @ \$2.1600, 1 @ \$2.1625; 1 CAR 40# BLOCKS @ \$2.2500
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 15 CARS: 1 @ \$2.3000, 1 @ \$2.2900, 3 @ \$2.3100, 1 @ \$2.3175, 1 @ \$2.3250, 1 @ \$2.3375, 1 @ \$2.3350, 2 @ \$2.3300, 3 @ \$2.3250, 1 @ \$2.3150; BIDS UNFILLED: 1 CAR @ \$2.3075; OFFERS UNCOVERED: NONE

THURSDAY, APRIL 22, 2004

CHEESE — SALES: 6 CARS BARRELS: 2 @ \$2.1525, 4 @ \$2.1550; 2 CARS 40# BLOCKS @ \$2.2000; BIDS UNFILLED: 1 CAR 40# BLOCKS @ \$2.2000; OFFERS UNCOVERED: 1 CAR BARRELS @ \$2.1575
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE

FRIDAY, APRIL 23, 2004

CHEESE — SALES: 2 CARS BARRELS: 1 @ \$2.1500, 1 @ \$2.1550; BIDS UNFILLED: NONE; OFFERS UNCOVERED: 1 CAR BARRELS @ \$2.1550
 NONFAT DRY MILK — SALES: NONE; BIDS UNFILLED: NONE; OFFERS UNCOVERED: NONE
 BUTTER — SALES: 20 CARS: 18 @ \$2.2550, 1 @ \$2.2575, 1 @ \$2.2600; BIDS UNFILLED: 3 CARS: 1 @ \$2.2000, 1 @ \$2.1950, 1 @ \$2.1900; OFFERS UNCOVERED: 7 CARS: 3 @ \$2.3000, 2 @ \$2.3050, 2 @ \$2.3150

BUTTER MARKETS

NORTHEAST

The market tone remains firm. The weekly average cash price for butter at last week's CME jumped 20.62 cents from the previous week. Many contacts in the butter and dry product markets are attending this week's ADPI meeting in Chicago. Last week, churning activity in the Northeast increased slightly as cream volumes were a little heavier. Most producers are aggressively looking for more cream and paying prices that are competitive with other Class utilizations. Demand for butter is slow to fair at retail and food service. However, interest in bulk for storing remains good. Sales of bulk butter f.o.b. East, are reported in a range of flat market to 5.5 cents over the CME price/average.

CENTRAL

The butter market remains firm. However, since hitting \$2.3650 on April 14, the CME cash price declined two out of the next three sessions. Churning activity is mostly steady at moderate levels. Reportedly, less excess cream is coming into the Midwest from the East, but some plant problems within the region have some cream being diverted to other operations. Demand for bulk and print butter remains quite high. For most buyers/users it is now a balancing act between having enough butter on hand should prices continue to climb and not wanting to get caught with heavy stocks should market move the "other way." Retailers are still working down pre-Easter stocks before re-entering the

market. Food service orders are steady, but most restaurants are looking forward to the busy Mother's Day weekend. Bulk butter for spot sale is being reported in the 2 - 4 cents per pound range over various pricing basis.

WEST

Butter trading activity at the CME remains moderately heavy with 75 cars sold last week and another 24 sold through Wednesday of this week. The trade seems to be treating the milk production report from last Friday (March milk down 1.8% from a year earlier) as neutral to a little negative for the market. Prices have declined 5 cents over the last three trading sessions at the cash CME market. Some additional cream is becoming available, but butter production remains well below year ago levels at most churns in the West. Orders for butter are sufficient to keep things cleaned up at the producer level. Contacts are wondering what the impact will be as higher prices are passed on to consumers at the retail level. Weekly CME warehouse stocks increased for the first time in eight weeks by 1.74 million pounds to stand at 89.2 million pounds. It is not unusual for stocks to increase for a short time around the Easter holiday. U.S. Cold storage holdings of butter at the end of March total 155.1 million pounds. This number is a decrease of 2% from last month and a decline of 37% or a decrease of almost 90 million pounds from a year ago. Current prices for bulk butter range from flat market to 4 cents under based on the CME with various time frames and averages.

NASS DAIRY PRODUCT PRICES

U.S. AVERAGES AND TOTAL POUNDS

WEEK ENDING	CHEESE		NDM	BUTTER	DRY WHEY
	40# BLOCKS	BARRELS 38% MOISTURE			
APRIL 17	2.0250	2.0811	0.8217	2.1967	0.2667
	9,520,436	11,144,903	26,900,308	2,452,057	11,822,237

Further data and revisions may be found on the internet at: <http://jan.mannlib.cornell.edu/reports/nassr/price/dairy>

CHEESE MARKETS

NORTHEAST

Prices are 4-6 cents higher again this week. The market tone remains firm. Eastern cheese production is steady. Some producers are a little more concerned with the rising price of solids, particularly condensed skim, and are switching back to NDM as a supplement to their milk. However, NDM is looking like it is going to be in tight supply this summer and fall, which may impact cheese yields and overall output. Demand for cheese is mostly steady. As price increases get passed on to the retail customer, sales may decline, but so far consumption appears to be fairly steady. Mozzarella and other cheeses used on pizzas may also get caught in the high price squeeze. Volumes used on each pizza may decrease or pizzas' prices will have to increase. Neither of these options are viewed as good. Retail and food service orders are steady.

WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Cheddar 10# Prints	:	2.2475-2.7625
Cheddar Single Daisies	:	2.2050-2.6700
Cheddar 40# Block	:	2.3175-2.5700
Process 5# Loaf	:	2.3500-2.5525
Process 5# Sliced	:	2.3700-2.6100
Muenster	:	2.4200-2.6225
Grade A Swiss Cuts 10 - 14#	:	2.3500-2.5500

MIDWEST

The cheese market is firm, though with an unsettled undertone. Trader opinions vary from continued strength to possible slight weakness. Current price levels have buyers purchasing hand to mouth. Slower finished and bulk cheese interest has caused supplies to start to accumulate. Buyers are trying to keep minimal inventory and/or work down supplies acquired at lower prices. Current cheddar block and barrel offerings have increased. Planned cheddar aging programs have been cut back because of the high price needed to just break even by fall. More pizzeria operators are passing on price increases due to higher cheese and other input costs. Mozzarella interest is spotty, mainly just fair at best. Slower orders for provolone and soft style varieties have some producers looking to switch over to cheddar or try to sell milk. Spot milk prices are under pressure due to the higher April Class III price and increased offerings.

WISCONSIN WHOLESALE SELLING PRICES: DELIVERED,
DOLLARS PER POUND (1000 - 5000 POUNDS MIXED LOTS)

Process American 5# Loaf	:	2.3200-2.4925
Brick And/Or Muenster 5#	:	2.4400-2.8350
Cheddar 40# Block	:	2.2650-2.5325
Monterey Jack 10#	:	2.2650-2.7750
Blue 5#	:	2.9300-3.1500
Mozzarella 5 - 6# (Low Moisture, Part Skim)	:	2.3400-2.4775
Grade A Swiss Cuts 6 - 9#	:	2.4600-2.8300

WEEKLY COLD STORAGE HOLDINGS - SELECTED STORAGE CENTERS
IN THOUSAND POUNDS - INCLUDING GOVERNMENT STOCKS

	BUTTER	:	CHEESE
		:	
04/19/04	42,448	:	133,175
04/01/04	44,617	:	135,961
CHANGE	-2,169	:	-2,786
% CHANGE	-5	:	-2

WEST

Prices continue to move higher for all Western cheese following trading at the CME last week. Prices at the Exchange have been mixed since last week, moving both higher and lower. Limited sales are beginning to take place at the Exchange after no trading for most of the price increases of the past few months. Most manufacturers continue to indicate that cheese output is not at expected levels because of limited milk supplies. They expect this trend to continue through the summer with heifer supplies limited and production per cow negative over much of the region compared to last year. Some are noting a slowdown in demand because of the higher prices being passed along at the retail level. Stocks of cheese don't seem to be backing up in the region. The one area of concern seems to be mozzarella. A number of contacts are stating that buying interest has slowed over the past few weeks. U.S. total cheese stocks at the end of March stand at 757.4 million pounds, a decline of 2% or 13.9 million pounds from last year. Swiss seems to be moving well as prices just begin to increase at the retail level. U.S. stocks of Swiss cheese at the end of March total 23.1 million pounds, down 9% from last month and last year. That is a decline of 2.3 million pounds from last year.

WHOLESALE SELLING PRICES: DELIVERED, DOLLARS PER POUND
(1000 - 5000 POUNDS MIXED LOTS)

Process 5# Loaf	:	2.2875-2.5475
Cheddar 40# Block	:	2.3025-2.6925
Cheddar 10# Cuts	:	2.4825-2.7025
Monterey Jack 10#	:	2.4925-2.6525
Grade A Swiss Cuts 6 - 9#	:	2.4000-2.8000

FOREIGN TYPE CHEESE

Prices are again higher on domestic styles, steady on imported. The market tone is falling into typical patterns for the post-Easter period. As the U.S. market prices continue their upward climb, interest in imported, processing cheeses grows. The currency exchange rates and availability will play a big role in future imports.

WHOLESALE SELLING PRICES: FOB DISTRIBUTORS DOCK
DOLLARS PER POUND (1000 - 5000 POUNDS, MIXED LOTS)

VARIETY	NEW YORK	
	IMPORTED	DOMESTIC
	:	:
Roquefort	: TFEWR	: -0-
Blue	: 2.6400-4.1900	: 2.5425-4.0325*
Gorgonzola	: 3.6900-5.9400	: 2.4900-3.0650*
Parmesan (Italy)	: TFEWR	: 3.9525-4.0625*
Romano (Italy)	: 2.1000-3.1500	: -0-
Provolone (Italy)	: 3.4400-5.5000	: 2.5525-2.7775*
Romano (Cows Milk)	: -0-	: 3.7400-5.9125*
Sardo Romano (Argentina)	: 2.8500-3.2900	: -0-
Reggianito (Argentina)	: 2.6900-3.2900	: -0-
Jarlsberg-(Brand)	: 2.7500-3.8900	: -0-
Swiss Cuts Switzerland	: -0-	: 2.3500-2.5500
Swiss Cuts Finnish	: 2.5900-2.8500	: -0-
Swiss Cuts Austrian	: TFEWR	: -0-
Edam	:	:
2 Pound	: TFEWR	: -0-
4 Pound	: 2.1900-3.4500	: -0-
Gouda, Large	: TFEWR	: -0-
Gouda, Baby (\$/Dozen)	:	:
10 Ounce	: 27.8000-31.7000	: -0-

* = Price change.

FLUID MILK AND CREAM

E A S T

Spot shipments of Grade A milk into or out of Florida and other Southeastern states

	THIS WEEK		LAST WEEK		LAST YEAR	
	IN	OUT	IN	OUT	IN	OUT
FLORIDA	0	119	0	187	0	192
SOUTHEAST STATES	0	0	0	0	0	0

During March, milk production in the 20 major states totaled 12.8 billion pounds, down 1.8% from March 2003. The following are the March-to-March changes for selected states: Texas +6.8%, Florida +2.9%, Vermont -4.3%, New York -4.8%, Pennsylvania -5.4%, Kentucky -5.9%, and Virginia -7.6%. Currently, milk production is mostly steady in the East. Output in the Southeast is still holding at or near levels that contacts feel is the peak. Middle Atlantic milk production is increasing slowly and very near its peak. In the Northeast, the milk flow has not really taken off as there has been little grass/pasture growth so far. According to some contacts, the flush does not happen until the cows get on green grass. This week's sales of bottled milk were reported as slower. Some schools in New England and other states were closed this week, which slowed Class I orders. Also, there are reports that some bottlers are working down inventories this week so they can "fill up the cooler" next week, just before Class I milk prices increase. Surplus milk volumes were occasionally heavier this week and some plants did operate on longer schedules than the week before. Milk volumes moving out of Florida were down this week, but milk from other regions of the country were handled in the Southeast. Surplus milk in the Northeast is steady to heavier. Some cheese plants continue to limit milk intakes, which pushes more milk into butter/power plants. The condensed skim market is little changed. Spot demand is slow to fair. The fluid cream market is not as strong, as supplies are in better balance with needs. Spot prices are sharply higher again this week, which did deter some spot purchases. The CME cash butter average for last week jumped 20.62 cents and multiples are holding. Some buyers are hoping for the butter price to "dip" in the near future and are holding off on some spot purchases. Class II demand is improving along seasonal patterns. With warmer weather comes increased demand for soft serve mix and warmer weather this week in much of the East did give a boost to mix sales. Bottled cream output is about steady. Churning activity is moderate and most excess cream is staying in the region.

FLUID CREAM AND CONDENSED SKIM PRICES IN TANKLOT QUANTITIES

SPOT PRICES OF CLASS II CREAM, \$ PER LB BUTTERFAT

F.O.B. PRODUCING PLANTS: NORTHEAST	-	2.9516-3.2327
DELIVERED EQUIVALENT ATLANTA	-	2.9750-3.2561 M 3.0687-3.1390
F.O.B. PRODUCING PLANTS: UPPER MIDWEST	-	3.1390-3.2795

PRICES OF CONDENSED SKIM, \$ PER LB SOLIDS

F.O.B. PRODUCING PLANTS:	
NORTHEAST- CLASS II - INCLUDES MONTHLY FORMULA PRICES	- .8700- .9300
NORTHEAST- CLASS III - SPOT PRICES	- 1.2400-1.3000

M I D W E S T

Midwestern states compared with March 2003 is: Wisconsin 1.891 billion pounds, down 41 million pounds (-2.1%); Minnesota 702 million pounds, off 37 million pounds (-5.0%); Michigan 533 million pounds, down 11 million pounds (-2.0%); and Iowa 316 million pounds, off 17 million pounds (-5.1%). This week, some severe weather in parts of the Midwest temporarily disrupted power and farm pick ups in the hardest hit areas. Milk production ranges from steady to slightly higher. Most of the southern areas have hit or are at their peak, but in the Upper Midwest, grass and pasture growth are still lagging and the milk flow is increasing slowly. Fluid milk supplies are generally ample for the steady Class I demand. Surplus milk volumes have increased from previous weeks. The amount of the increase isn't too great, but contacts report that demand from manufacturers has slowed due to the high prices. Loads that cleared easily earlier in the month are now looking for a home. This week, suppliers report that the premiums they were getting for manufacturing milk

have disappeared and they have had to discount prices to get buyers to take loads. To further complicate the milk market, many milk buyers were attending one or both of this week's major industry meetings. This week, spot premiums for manufacturing milk range from \$.50 under to \$1.50 over class price, f.o.b. Cream demand is holding fairly steady, but last week's 20.62 cent jump in the cash CME butter price did cause some spot buyers to reassess needs.

WISCONSIN LIVESTOCK AUCTIONS (PER CWT.)

	APR 15 - 21	PREVIOUS YEAR
SLAUGHTER COWS	\$ 52.00- 58.00	\$ 40.00- 45.00
REPLACEMENT HEIFER CALVES	\$300.00-590.00	\$210.00-340.00

SOUTH ST. PAUL TERMINAL AUCTION MARKET (PER CWT.)

	APR 15 - 21	PREVIOUS YEAR
SLAUGHTER COWS	\$ 50.00- 57.50	\$ 38.00- 47.00

W E S T

Twenty selected state milk production in March totals 12.8 billion pounds, down 1.8% from March 2003. Cow numbers were down 2,000 from the previous month and 96,000 (1.2%) from last year. Milk production per cow was down 0.6% from a year earlier and the second consecutive month of decline. March output in selected Western states compared to last year is as follows: Arizona +0.6%, California -0.6%, Idaho +2.3%, New Mexico -0.2%, and Washington -4.5%. Cow numbers in the region are up 49,000 head from last year. Production per cow is negative in four of the five states with only Arizona being positive at 0.5%. Changes in the other states are -2.2% in California and Idaho, down 3.8% in New Mexico and down 1.3% in Washington. CALIFORNIA milk output is currently moving higher. Contacts are stating increases versus a year ago at 2 to 4% higher. The buildup is welcomed at the farm level with higher milk prices. Additional cows are being added and milking frequencies are being increased. The additional milk is being easily handled at the plant level. Class 1 orders this week are slow, but expected to be brisk next week as buyers increase orders ahead of higher May prices. Milk production in ARIZONA remains flat and the trade is wondering whether the peak has been reached. Levels have not changed much in several weeks despite good milk producing conditions. Stronger bottler orders are noted for Class I milk. NEW MEXICO milk output is following recent trends, although not all areas of the state are seeing increases as expected. Normal marketing of milk continues to contract accounts and into the Southeast. Cow numbers are increasing. The CREAM market is a little unsettled this week. The butter price has declined 5 cents since last week and closed at \$2.3150 at midweek. Cream demand is noted to be slower, which is expected after the spring holidays. Ice cream demand is variable. Cream multiples are lower on the top end at 115 to 130, FOB, and vary depending on class usage and basing point. Conditions have been cool and rainy over much of the PACIFIC NORTHWEST. It has been helping pastures and hay growth and has not been bad enough to impact milk output. Some hay cutting in the Pasco, Washington region has been delayed until the showery conditions have passed. Even with very high cull cow prices, most producers are electing to keep cows in the herd because of increasing milk prices and the lack of replacements. The first real extensive rain of the spring season has occurred over parts of UTAH and IDAHO in the past week. This moisture should really help with the growth of the first cutting hay. Fields look good and are from 1-2 weeks ahead of normal. Lots of hay seems to be moving around the region on trucks this week as buyers cover late fill in needs before the new crop harvest becomes available. Some plants in the region are looking for additional milk supplies while others in the region are looking to ship milk out of their facilities. Milk is seasonally increasing at many locations.

NDM, BUTTERMILK & WHOLE MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

NONFAT DRY MILK - CENTRAL AND EAST

CENTRAL: Prices are unchanged to higher on a firm market. Spot load trading is light due in part to industry attendance at the annual ADPI meeting in Chicago. Some less than trucklot loads are trading on the high side of the range. Production is steady yet reduced compared to last year. Inventories are generally in balance with some plants holding extra supplies to guarantee contractual shipments during the summer months when NDM supplies may be limited. Most NDM trade is occurring on the resale market at prices predominantly at the higher end of the range. High heat interest is good and supplies are limited. Mostly prices on low heat for report 16 in 2003 were .8000 - .8500. Prices on high heat for report 16 in 2003 were .8600 - .9150.

EAST: Prices are steady to sharply higher in the East. Production levels, though light, are up slightly this week and producers have pushed prices higher. Producers want to sell their output, but should the higher prices deter sales, they wouldn't mind having a little powder on hand. Most spot sales are to existing customers. The major NDM supplier in the U.S. is honoring, as best they can, their contracts, but if buyers purchase beyond their typical volumes, the extra/additional loads are priced at a significant premium. There are reports that the above supplier is not accepting orders for high heat powder deliveries in May due to projected availability issues. Most spot sales noted in the market are resale loads. At this week's industry meetings in Chicago, the major topics of conversation were based around milk production, NDM availability, and CCC's suspension of sales. Many in attendance are eager for CCC to resume sales. They want to buy NDM to have on hand during the summer when they project output to be light and supply to be tight. Most spot sales fall into the resale category and are being reported in the low to mid \$.90's, f.o.b. warehouse.

F.O.B. CENTRAL/EAST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8175 - .9800 MOSTLY: .8375 - .8700

HIGH HEAT: .8525 - 1.0700

NONFAT DRY MILK - WEST

Prices are higher on the top end of the low/medium heat range. The changes reflect limited spot sales activity. The tone of the market is firm. In part, many trade contacts were attending an industry meeting this week. And there isn't a lot of powder to test the spot market. Several producers are behind on contract sales and have no extra powder to sell. Buyers are actively looking for supplies and bidding higher numbers with limited success. Indications are that resale powder is being offered in the low 90's. The CCC stopped sellbacks last week and is assessing inventories and locations before possibly reopening the program. During the week of April 12 - 16, CCC made no support price purchases, but 242,506 pound of previously offered NDM were cancelled. Western high heat prices are unchanged. Trading is very light and many buyers are not getting contracted loads on time. There is little high heat available in the resale trade. Current stocks remain light.

F.O.B. WEST: Includes EXTRA GRADE and GRADE A

LOW/MEDIUM HEAT: .8100 - .9200 MOSTLY: .8100 - .8300

HIGH HEAT: .8400 - .8800

CALIFORNIA MANUFACTURING PLANTS - NDM

WEEK ENDING	PRICE	TOTAL SALES	SALES TO CCC
April 16	\$.8173	17,326,876	0
April 9	\$.8083	13,877,128	55

Prices are weighted averages for Extra Grade and Grade A Nonfat Dry Milk, f.o.b. California manufacturing plants. Prices for both periods were influenced by effects of long-term contract sales. Total sales (pounds) include sales to CCC. Compiled by Dairy Marketing Branch, California Department of Food and Agriculture.

DRY BUTTERMILK - CENTRAL

Prices are unchanged and nominal on a firm market. Trade activity continues light. Production is steady yet reduced compared to the year prior. Most supplies are allocated for contractual shipments. Condensed buttermilk is clearing well into Class II facilities with some seasonal interest being turned away due to the reduced output. Prices for report 16 in 2003 were .6500 - .7300.

F.O.B. CENTRAL:

1.0050 - 1.1500

DRY BUTTERMILK - NORTHEAST AND SOUTHEAST

The dry buttermilk prices are mostly unchanged and the Northeastern prices are nominal. The market tone is firm as supply is generally short of needs. Production levels are mostly steady, but a little more churning was reported this week. Producer stocks are reported as tight. Demand is increasing seasonally, but few spot sales are noted directly from producers.

F.O.B. NORTHEAST:

.8800 - 1.0100

DELVD SOUTHEAST:

.9100 - 1.0000

DRY BUTTERMILK - WEST

Trading activity has become very limited on a spot basis in the region. Prices are unchanged and untested. The sense is that market prices should be higher when compared to other regions and even when compared to the strength of other protein and fat containing items. Drying of buttermilk remains very light as churning is lower and condensed buttermilk sales are good. Resale availability is also limited. Stocks are light.

F.O.B. WEST:

.9100 - .9750 MOSTLY: .9400 - .9600

DRY WHOLE MILK - NATIONAL

Prices are mostly steady and nominal. Many contacts were attending the dairy industry meetings this week and little new information was available. Production levels are light and plant stocks are limited. Demand is mostly contractual.

F.O.B. PRODUCING PLANT:

1.3950 - 1.6000

DEIP BID ACCEPTANCE SUMMARY

JULY 1, 2003 - YTD
WITH CHANGES FROM PREVIOUS REPORT

NONFAT DRY MILK	--	68,201 MT (150,355,925 LBS)
CHEESE	--	3,030 MT (66,799,938 LBS)

Allocations for the DEIP year beginning July 1, 2003, were announced on August 15 and total 68,201 MT of NDM, 3,030 MT of cheese, and 21,097 MT of butterfat. (These totals are unchanged from last year's program.) This program-year's allocations are again being announced in stages. Stage one allocations are:

NDM -- 22,733 MT, butterfat -- 7,032 MT, and cheese -- 1,010 MT.

Stage two allocations are: NDM -- 45,468 MT and cheese -- 2,020 MT. These fill the program-year allocations for these products. The allocation for butterfat announced in stage one remains in place and leaves a balance for future, possible allocations.

WHEY, CASEIN & EVAPORATED MILK

Prices represent carlot/trucklot quantities for domestic and export sales packaged in 25 kg. or 50 lb. bags, or totes, spray process, dollars per pound.

DRY WHEY - CENTRAL

Prices are higher on a steady to firm market. Trading was somewhat reduced due to industry attendance at the annual ADPI meeting in Chicago. With prices at record highs for this time of the year, some buyers are waiting for the market to settle before making inquiries for additional purchases. Other buyers have purchased extra supplies to avoid potentially higher prices. Some resale trades are being reported at prices anywhere from the average to 34 cents FOB. Production is steady and inventories are in balance for the contractual interest. Mostly prices for report 16 in 2003 were .1525 - .1575.

F.O.B. CENTRAL: .2950 - .3200 MOSTLY: .2950 - .3150

DRY WHEY - NORTHEAST AND SOUTHEAST

The dry whey market is firm and prices are unchanged to higher. The Northeast price range remains nominal and includes resale prices. Many contacts were attending this week's industry meetings in Chicago. Comments about production and supply this summer were common. There is genuine concern about availability during the coming months. However, buyers are still resisting prices above the \$.3000 level at producing plants, particularly for Extra Grade. Production levels are light as most Eastern cheese makers have reduced their operating schedules to accommodate the declining volumes of high-priced surplus milk. Overall, demand remains good and most spot needs are filled via the resale side of the market.

F.O.B. NORTHEAST: EXTRA GRADE AND GRADE A: .3000 - .3300
DELVD SOUTHEAST: .3200 - .3500

DRY WHEY - WEST

The Western whey market is firm and prices continue to increase. Producers are asking for higher prices and they are able to sell the powder. Buyers are beginning to realize that most dairy proteins are in tight supply and the majority of prices are higher. Therefore, they are not as opposed to higher whey prices as in some price cycles. Export sales continue, but sellers are commenting that buyers from overseas are searching for alternatives or other sources of supply. Whey production is on the light side of estimates and being held with confidence.

NONHYGROSCOPIC: .2100 - .2700 MOSTLY: .2300 - .2500

ANIMAL FEED WHEY - CENTRAL

Prices are unchanged and nominal on a steady to firm market. Trading activity is light due to industry attendance at the annual ADPI meeting in Chicago. Interest is good as feed buyers seek lower cost substitutes to the higher priced Extra Grade whey market. Veal and early weaned pig demand are generally steady. Milk replacer prices for report 16 in 2003 were .1275 - .1500.

F.O.B. CENTRAL:
MILK REPLACER: .2500 - .2800

WHEY PROTEIN CONCENTRATE - CENTRAL AND WEST

Prices are higher on a firm market. Spot sales activity is light to fair. Production is steady to lower as plants that have the capacity to produce WPC 34% and WPC 80% tend to direct operations toward WPC 80% due to the increased demand for WPC 80%. Heavier production of protein drinks and bars along with the substitution of WPC 80% for blood protein and egg albumen are the reported reasons behind increased WPC 80% demand. Inquiries for WPC 34% are increasing with some plants turning requests down. Feed demand for protein is good as farmers are better off selling their milk. Some traders suspect that the veal market may show an increased interest for protein due to the recent FDA ban on hormone use in veal. Off grade trade is light for the good interest. Mostly prices for report 16 in 2003 were .4850 - .4950.

F.O.B. EXTRA GRADE 34% PROTEIN: .5425 - .5900 MOSTLY: .5625 - .5725

LACTOSE - CENTRAL AND WEST

Lactose prices are unchanged on a generally steady market. Spot trade activity is fair with offerings noted at the average. Interest is best from the Asian export market. Some shipment delays are noted into India due to increased documentation required to export dairy products to the region. Production is steady and supplies are mostly in balance with a few plants holding extra loads to clear. With higher prices reported for whey and permeate, lactose prices are expected to remain steady. Mostly prices for report 16 in 2003 were .1650 - .1900.

Including spot sales and up to 3 month contracts. Mesh size 30 - 100.

F.O.B. EDIBLE: .2200 - .2700 MOSTLY: .2300 - .2450

CASEIN - NATIONAL

Prices are unchanged for both casein types, but the market tones for both are very firm. Supplies in the U.S. and in transit are adequate for committed needs, but other needs are not able to be met. With higher prices for other domestic dairy proteins, buyers' alternatives are often limited. The CCC announced that all offers received under Invitation 015 (to convert CCC owned NDM into casein) were rejected due to price. The offered price was \$0.22 per pound. Additionally, the CCC issued Invitation 016 seeking additional offers by April 28.

SPOT SALES AND UP TO 3 MONTH CONTRACTS. PRICES ARE F.O.B., U.S. WAREHOUSE FOR EDIBLE NONRESTRICTED AND VARY ACCORDING TO MESH SIZE AND QUALITY.

RENNET: 2.3500 - 2.5500
ACID: 2.3500 - 2.4800

EVAPORATED MILK - NATIONAL

Prices are steady and the market tone is seasonal. Production levels are very light in plants regulated under Federal milk marketing orders. Producers, there, are waiting for word from USDA about the reclassification of evaporated milk to a Class IV product. They have been told, by USDA personnel that the final decision will be issued and the reclassification will be effective on May 1. There is growing angst about these verbal reassurances as we are less than ten days from that date. Because of rising milk prices, producers who have already increased prices are thinking about another in the very near future. Buyers will not be happy to hear about additional increases, but milk prices are rising at rates seldom seen before.

DOLLARS PER 48 - 12 FLUID OUNCE CANS PER CASE DELIVERED MAJOR U.S. CITIES \$22.00 - 30.00

Excluding promotional and other sales allowances. Included new price announcements.

MONTHLY COLD STORAGE REPORT – TOTAL U.S. STOCKS

NOTE: Data for this report is collected from public, private and semiprivate warehouses, apple houses, and meat packing plants where food products are generally stored for 30 days or more. Commodities in space owned or leased and operated by the armed services are not reported. Food stocks held under bond are included in the storage data.

All stocks in thousand pounds except where otherwise indicated

U.S. HOLDINGS OF DAIRY PRODUCTS

COMMODITY	FEB 28, 2002	FEB 28, 2003	REVISED FEB 29, 2004	MAR 31, 2002	MAR 31, 2003	MAR 31, 2004
Butter	130,124	239,879	158,136	145,160	244,958	155,055
Cheese, Natural American	491,147	538,833	533,259	498,290	530,798	518,264
Cheese, Swiss	12,711	23,151	25,361	12,800	25,323	23,073
Cheese, Other Natural	216,463	208,024	208,138	220,552	215,154	216,036

U.S. GOVERNMENT OWNED COLD STORAGE HOLDINGS

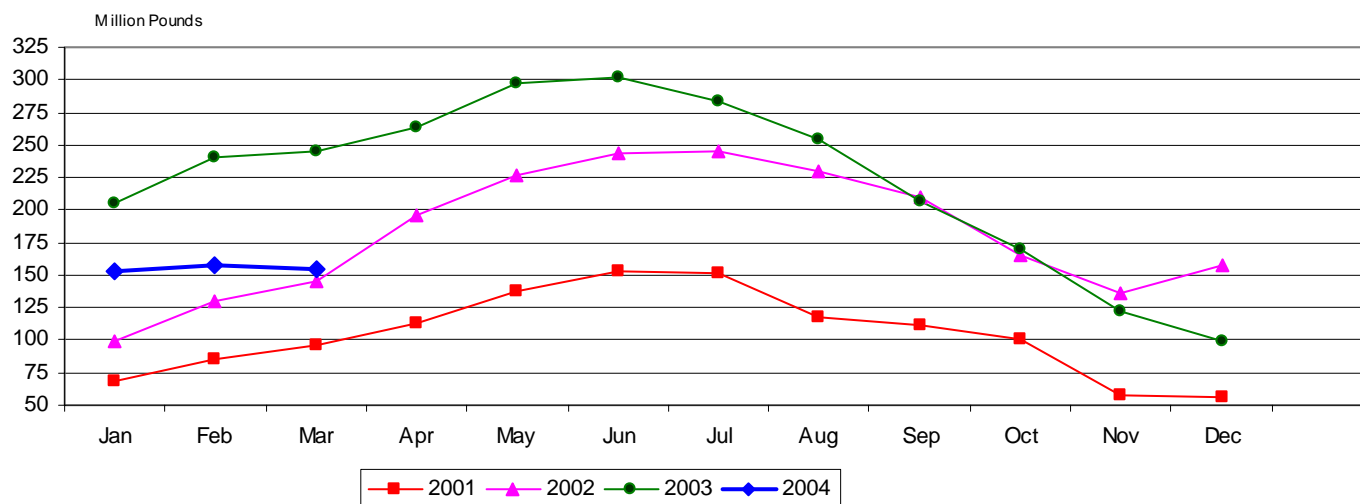
Butter	1,200	1,391	1,209	1,323	2,576	602
Natural American Cheese	753	368	9,616	733	1,602	9,615

MARCH STORAGE HOLDINGS BY REGION

REGION	Natural American Cheese			Butter *			Other Natural Cheese		
	2002	2003	2004	2002	2003	2004	2002	2003	2004
New England	20,186	21,175	23,236	---	---	---	530	276	382
Middle Atlantic	59,637	59,548	51,191	---	---	---	39,158	17,502	16,025
East North Central	199,876	216,171	203,890	---	---	---	107,535	124,026	125,647
West North Central	118,648	121,803	113,234	---	---	---	61,473	55,616	53,559
South Atlantic	171	118	4,358	---	---	---	158	1,883	1,315
East South Central	103	230	215	---	---	---	214	1,751	2,324
West South Central	2,968	1,592	2,230	---	---	---	194	242	186
Mountain	8,510	14,793	21,885	---	---	---	2,537	1,873	4,288
Pacific	88,191	95,368	98,025	---	---	---	8,753	11,985	12,310
TOTAL	498,290	530,798	518,264	145,160	244,958	155,055	220,552	215,154	216,036

*Regional breakdowns are not reported to avoid possible disclosure of individual operations.

Butter Cold Storage Holdings



COMMERCIAL AND GOVERNMENT STORAGE HOLDINGS, JANUARY 2003 TO DATE

Month	Butter						Natural American Cheese						Nonfat Dry Milk					
	Total <u>1/</u>		Commercial		Government		Total <u>1/</u>		Commercial		Government		Total <u>1/ 2/</u>		Commercial		Government <u>2/</u>	
	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003	2004	2003
	Million Pounds						Million Pounds						Million Pounds					
January	152	205	151	204	1	<u>3/</u>	518	515	508	515	10	<u>3/</u>	945	1,147	109	112	836	1,036
February	158	240	157	238	1	1	533	539	524	538	10	<u>3/</u>	900	1,187	99	116	800	1,071
March	155	245	154	242	1	3	518	531	509	529	10	2		1,247		137		1,111
April		264		259		5		535		532		3		1,308		154		1,154
May		298		289		9		539		536		3		1,336		159		1,177
June		301		291		11		550		546		4		1,365		152		1,212
July		284		273		11		552		546		6		1,308		90		1,219
August		254		244		10		547		538		9		1,245		75		1,170
September		207		197		10		517		508		9		1,207		69		1,138
October		170		159		11		491		482		9		1,128		69		1,059
November		123		114		9		467		460		7		1,062		87		975
December		100		93		6		491		482		10		978		108		870

NA = Not available.

1/ Total may not add due to rounding. 2/ Includes instant nonfat dry milk. 3/ Less than 500,000 lbs.COMMERCIALLY OWNED COLD STORAGE HOLDINGS FOR THE UNITED STATES 1/

Commodity	Feb 28, 2002	Feb 28, 2003	Feb 29, 2004	Mar 31, 2002	Mar 31, 2003	Mar 31, 2004
	Thousand Pounds					
Butter	128,924	238,488	156,927	143,837	242,382	154,453
Natural American Cheese	490,394	538,465	523,643	497,557	529,196	508,649

1/ Total holdings minus Government owned holdings. For more information, see page 7 of this report.

SOURCE: "Cold Storage," Co St 1 (4-04) and "Dairy Products," Da 2-6 (4-04), Agricultural Statistics Board, National Agricultural Statistics Service; and "Summary of Processed Commodities in Store," Farm Service Agency.

MARCH MILK PRODUCTION

Milk production in the 20 major states during March totaled 12.8 billion pounds, down 1.8 percent from March 2003. February revised production, at 11.8 billion pounds, was up 1.4 percent from February 2003. However, adjusting for leap year, February milk production was down 2.1 percent on a per day basis from last year. The February revision represented a decrease of 35 million pounds or 0.3 percent from last month's preliminary production estimate. Production per cow in the 20 States averaged 1,656 pounds for March, 10 pounds below March 2003. The number of milk cows on farms in the 20 States was 7.71 million head, 96,000 head less than March 2003, and 2,000 head less than February 2004. Milk production in the U.S. during January-March quarter totaled 42.7 billion pounds, down 0.9 percent from the January-March quarter last year. The average number of milk cows in the U.S. during the quarter was 8.99 million head, 153,000 head less than the same period last year.

STATE	MILK COWS 1/ 2/				MILK PRODUCTION 1/ 3/			
	MARCH		JANUARY-MARCH		MARCH		JANUARY-MARCH	
	2003	2004	2003	2004	2004	% CHANGE FROM 2003	2004	% CHANGE FROM 2003
	THOUSANDS				MILLION LBS.	PERCENT	MILLION LBS.	PERCENT
AL	--	--	18	17	--	--	70	--
AK	--	--	1.3	1.2	--	--	3.60	-16.3
AZ	155	155	155	155	325	0.6	940	2.7
AR	--	--	30	27	--	--	87	-9.4
CA	1,681	1,708	1,676	1,705	3,091	-0.6	8,923	0.5
CO	--	--	101	100	--	--	546	-0.2
CT	--	--	23	21	--	--	102	-6.4
DE	--	--	8.5	7.8	--	--	34.5	-6.8
FL	145	139	146	139	214	2.9	611	2.5
GA	--	--	85	84	--	--	380	-4.8
HI	--	--	6.6	6.5	--	--	21.3	-11.3
ID	395	413	394	412	748	2.3	2,174	4.2
IL	113	108	114	108	178	-5.8	516	-4.1
IN	147	145	147	145	251	-0.8	731	0.6
IA	203	194	205	195	316	-5.1	923	-4.4
KS	--	--	112	111	--	--	543	0.6
KY	120	109	120	111	128	-5.9	365	-6.4
LA	--	--	44	40	--	--	140	-6.0
ME	--	--	35	34	--	--	151	-2.6
MD	--	--	79	76	--	--	306	-4.1
MA	--	--	20	17	--	--	75	-14.8
MI	302	298	302	299	533	-2.0	1,566	0.6
MN	480	465	480	465	702	-5.0	2,060	-3.5
MS	--	--	32	28	--	--	109	-10.7
MO	131	123	133	124	165	-6.3	470	-5.1
MT	--	--	18	18	--	--	86	--
NE	--	--	66	61	--	--	271	-8.8
NV	--	--	26	25	--	--	125	2.5
NH	--	--	17	16	--	--	76	-3.8
NJ	--	--	13	12	--	--	52	-8.8
NM	315	327	314	326	577	-0.2	1,690	4.2
NY	680	660	677	659	997	-4.8	2,901	-3.9
NC	--	--	62	58	--	--	264	-5.4
ND	--	--	37	33	--	--	129	-9.8
OH	260	260	260	259	395	1.3	1,124	0.4
OK	--	--	83	80	--	--	330	-1.8
OR	--	--	117	120	--	--	546	3.8
PA	585	564	588	564	885	-5.4	2,534	-5.7
RI	--	--	1.4	1.2	--	--	5.2	-10.3
SC	--	--	20	17	--	--	78	-17.9
SD	--	--	84	80	--	--	339	1.8
TN	--	--	82	77	--	--	310	-4.6
TX	320	317	320	317	550	6.8	1,578	9.0
UT	--	--	92	88	--	--	387	-3.0
VT	151	144	152	145	222	-4.3	651	-2.7
VA	116	101	116	103	146	-7.6	429	-6.5
WA	248	240	248	240	462	-4.5	1,348	-3.2
WV	--	--	15	14	--	--	53	-5.4
WI	1,263	1,244	1,264	1,245	1,891	-2.1	5,520	-0.8
WY	--	--	3.9	4.0	--	--	14.4	8.3
20 STATE TOTAL	7,810	7,714	--	--	12,776	-1.8	--	--
U.S. 5/ 6/	--	--	9,144	8,991	--	--	42,688	-0.9

1/ Preliminary. 2/ Includes dry cows, excludes heifers not yet fresh. 3/ Excludes milk sucked by calves. 5/ Includes states for which individual monthly estimates are not available. 6/ Milk cows will not add due to rounding. SOURCE: "Milk Production," Da 1-1 (4-04), Agricultural Statistics Board, National Agricultural Statistics Service, USDA.

TOTAL COW SLAUGHTER UNDER FEDERAL INSPECTION, UNITED STATES, 2002 TO 2004
(THOUSAND HEAD)

2002			2003			2004		
Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows	Week Ending	All Cows	Dairy Cows
Jan 5	101.2	47.4	Jan 4	97.6	48.1	Jan 3	81.6	35.3
12	129.3	59.5	11	131.5	63.7	10	104.0	48.8
19	120.6	56.1	18	130.8	63.8	17	116.5	56.9
26	107.3	51.2	25	119.7	59.3	24	113.0	55.3
Feb 2	103.0	50.4	Feb 1	114.3	55.0	31	96.9	50.3
9	102.3	49.7	8	118.9	58.4	Feb 7	95.8	50.1
16	104.9	51.4	15	112.8	57.8	14	99.3	50.8
23	104.8	49.3	22	109.6	53.5	21	99.6	52.6
Mar 2	97.2	48.0	Mar 1	108.7	56.9	28	100.0	52.4
9	98.1	49.7	8	117.4	59.9	Mar 6	97.3	50.8
16	107.5	48.4	15	121.3	61.1	13	94.3	45.9
23	104.2	48.6	22	121.9	62.9	20	95.0	48.6
30	100.7	46.4	29	108.6	54.1	27	96.6	47.2
Apr 6	99.2	47.8	Apr 5	111.4	56.4	Apr 3		
13	104.6	48.0	12	109.1	53.8	10		
20	103.7	48.1	19	113.1	54.0	17		
27	101.7	46.1	26	112.3	53.8	24		
May 4	98.4	46.3	May 3	111.9	53.4	May 1		
11	98.9	44.4	10	112.8	52.7	8		
18	103.9	44.4	17	112.3	51.7	15		
25	108.7	47.2	24	112.6	50.3	22		
Jun 1	91.6	39.2	31	101.5	44.1	29		
8	108.1	46.1	Jun 7	123.0	54.5	Jun 5		
15	104.4	46.2	14	112.4	50.8	12		
22	109.7	46.6	21	105.1	47.0	19		
29	110.6	48.1	28	103.7	46.7	26		
Jul 6	87.9	39.1	Jul 5	87.2	41.3	Jul 3		
13	107.5	49.7	12	110.1	52.3	10		
20	109.2	49.6	19	111.3	49.9	17		
27	105.7	47.6	26	109.4	50.5	24		
Aug 3	105.7	48.4	Aug 2	109.6	50.9	31		
10	101.8	46.9	9	112.5	52.7	Aug 7		
17	106.4	48.7	16	118.7	53.5	14		
24	110.6	50.2	23	119.3	52.5	21		
31	113.8	53.9	30	114.5	53.3	28		
Sep 7	99.8	47.8	Sep 6	100.4	49.9	Sep 4		
14	110.3	51.8	13	117.6	55.8	11		
21	112.2	53.7	20	121.1	58.6	18		
28	115.1	54.6	27	124.5	61.9	25		
Oct 5	114.6	52.5	Oct 4	119.7	59.5	Oct 2		
12	115.3	53.3	11	113.5	57.1	9		
19	116.7	51.8	18	121.6	61.2	16		
26	123.3	54.1	25	133.4	64.4	23		
Nov 2	125.7	56.2	Nov 1	130.6	60.2	30		
9	121.7	57.1	8	125.3	59.3	Nov 6		
16	124.3	55.7	15	127.4	59.7	13		
23	125.4	56.0	22	131.7	62.0	20		
30	101.1	46.4	29	96.2	45.3	27		
Dec 7	122.2	58.3	Dec 6	126.7	61.1	Dec 4		
14	124.4	58.4	13	126.7	59.8	11		
21	123.1	58.0	20	121.2	58.4	18		
28	83.6	38.9	27	80.0	37.5	25		

SOURCE: The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, the Food Safety and Inspection Service and the National Agricultural Statistics Service, all of USDA.

FEDERAL MILK ORDER PRICE AND POOL SUMMARY, MARCH

HIGHLIGHTS: Handler reports of receipts and utilization under the Federal milk order system for March have been filed and tabulated. Combined totals for the 11 consolidated orders are being released. During March, about 7.8 billion pounds of milk were received from producers. This volume of milk is 27.4 percent lower than the March 2003 volume. (Taking into account the volume of milk not pooled due to intraorder disadvantageous price relationships, the year-to-year change is -2.0 percent.) About 4.0 billion pounds of producer milk were used in Class I products, 4.5 percent higher than the previous year. Calendar composition had a positive impact on milk used in Class I in 2004 as compared to 2003. The all-market average Class utilization percentages were; Class I = 51%, Class II = 16%, Class III = 22%, and Class IV = 11%. The weighted average statistical uniform price was \$15.16 per cwt., \$1.94 higher than last month, and \$4.47 higher than last year.

PRICE AND POOL STATISTICS FOR FEDERAL MILK ORDER MARKETING AREAS FOR THE MONTH OF MARCH 2004										
FEDERAL MILK ORDER MARKETING AREA <u>1/</u>	ORDER NUMBER	RECEIPTS OF PRODUCER MILK		UTILIZATION OF PRODUCER MILK IN CLASS I			UTILIZATION OF PRODUCER MILK IN OTHER CLASSES			UNIFORM PRICE <u>2/</u>
		TOTAL	CHANGE FROM PREV. YEAR	TOTAL	CHANGE FROM PREV. YEAR	PERCENT	CLASS II	CLASS III	CLASS IV	
		MIL. LBS.	PERCENT	MIL. LBS.	PERCENT		PERCENT			\$ PER CWT.
Northeast (Boston)	001	2,086.3	-3.0	930.7	4.8	45	20	28	7	15.56
Appalachian (Charlotte)	005 <u>3/</u>	500.2	-11.7	381.1	3.6	76	17	3	4	15.80
Southeast (Atlanta)	007	656.1	4.7	401.1	2.4	61	12	20	7	15.61
Florida (Tampa)	006	270.6	6.8	224.6	2.6	83	9	6	2	16.48
Mideast (Cleveland)	033 <u>3/</u>	1,297.4	-10.9	577.4	5.9	44	18	35	3	14.68
Upper Midwest (Chicago)	030 <u>3/</u>	675.1	-65.2	395.8	16.5	59	11	12	18	14.70
Central (Kansas City)	032 <u>3/</u>	712.3	-52.1	383.0	-6.3	54	14	20	12	14.63
Southwest (Dallas)	126 <u>3/</u>	601.4	-36.2	353.3	4.3	59	18	4	19	15.22
Arizona-Las Vegas (Phoenix)	131	266.3	-4.7	86.1	4.3	32	8	40	20	14.69
Western (Salt Lake City)	135 <u>3/</u>	165.2	-62.7	99.1	9.9	60	18	5	17	14.69
Pacific Northwest (Seattle)	124 <u>3/</u>	600.8	-6.7	189.9	8.5	32	7	31	30	14.55
ALL MARKET AVERAGE OR TOTAL	<u>3/</u>	7,831.6	-27.4	4,022.3	4.5	51	16	22	11	15.16

1/ Names in parentheses are the major city in the principal pricing point of the market.

2/ Statistical uniform price for component pricing orders (Class III price plus producer price differential). For other orders, uniform skim milk price times 0.965 plus uniform butterfat price times 3.5.

3/ Due to a disadvantageous relationship between intraorder class prices and the location adjusted statistical uniform (blend) price in these markets, handlers elected not to pool an estimated 3.0 billion pounds of milk that normally would have been associated with these markets. In March 2003, the estimated not-pooled volume of milk was 290 million pounds, occurring in Order Nos. 033, 030, 032, and 135. After adjusting for these not-pooled volumes, the year-to-year percent change is -2.0.

CCC PURCHASES OF DAIRY PRODUCTS (POUNDS)

	OR THE WEEK OF APRIL 19 - 23, 2004			CUMULATIVE TOTALS		UNCOMMITTED INVENTORIES	
	TOTAL PURCHASES	CONTRACT ADJUSTMENTS	ADJUSTED PURCHASES	SINCE 10/01/03	SAME PERIOD LAST YEAR	WEEK ENDING 04/09/04	SAME PERIOD LAST YEAR
BUTTER							
Bulk	-0-	-0-	-0-	-42,309	7,573,683	-0-	-0-
Packaged	-0-	-0-	-0-	-0-	328,320	-0-	-0-
TOTAL	-0-	-0-	-0-	-42,309	7,902,003	-0-	-0-
CHEESE							
Block	-0-	-0-	-0-	-0-	3,863,460	-0-	-0-
Barrel	-0-	-0-	-0-	-0-	5,470,039	-0-	-0-
Process	-0-	-0-	-0-	-0-	17,305,200	-0-	-0-
TOTAL	-0-	-0-	-0-	-0-	26,638,699	-0-	-0-
NONFAT DRY MILK							
Nonfort	6,028,193#	476,192	5,552,001	253,215,820\$	384,985,750	656,102,000	1,209,818,000
Fortified	-0-	-0-	-0-	-119,048	-0-	46,391,000	46,391,000
TOTAL	6,028,193	476,192	5,552,001	253,096,772	384,985,750	702,493,000	1,256,209,000

#Export Donation Program under Invitation 080 to announcement FMPL. The cumulative under Invitation 080 is 11,914,407.
 \$Includes export donation deliveries under Invitation 070.

MILK EQUIVALENT, FAT SOLIDS BASIS, OF ADJUSTED PURCHASES (MILLION POUNDS)

	MILKFAT* BASIS	SKIM** SOLIDS		MILKFAT* BASIS	SKIM** SOLIDS
WEEK OF APRIL 19 - 23, 2004 =	1.2	64.6	COMPARABLE PERIOD IN 2003 =	43.7	265.9
CUMULATIVE SINCE OCTOBER 1, 2003 =	54.8	2,946.0	CUMULATIVE SAME PERIOD LAST YEAR =	502.8	4,745.9
CUMULATIVE JANUARY 1 - APRIL 23, 2004 =	29.3	1,596.8	COMPARABLE CALENDAR YEAR 2003 =	428.7	3,480.3

* Factors used for Fat Solids Basis - Butter times 21.80; Cheese times 9.23; and Nonfat Dry Milk times 0.22

**Factors used for Skim Solids Basis - Butter times 0.12; Cheese times 9.90; and Nonfat Dry Milk times 11.64

CCC ADJUSTED PURCHASES FOR THE WEEK OF APRIL 19 - 23, 2004 (POUNDS)

REGION	BUTTER			CHEESE			NONFAT DRY MILK	
	BULK	PACKAGED	UNSALTED	BLOCK	BARREL	PROCESS	NONFORTIFIED	FORTIFIED
CENTRAL	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-
WEST	-0-	-0-	-0-	-0-	-0-	-0-	5,552,001	-0-
EAST	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-

CCC ADJUSTED PURCHASES SINCE 10/1/03 AND SAME PERIOD LAST YEAR (POUNDS) AND MILK EQUIVALENT AS A PERCENT OF TOTAL

REGION	BUTTER		CHEESE		NONFAT DRY MILK		MILK EQUIVALENT (%)	
	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03	2003/04	2002/03
CENTRAL	-0-	-0-	-0-	17,346,800	7,646,276	14,343,850	3.1	32.5
WEST	-42,309	7,902,003	-0-	9,291,899	241,166,722	353,472,488	95.3	66.8
EAST	-0-	-0-	-0-	-0-	4,283,774	17,169,412	1.6	0.7
TOTAL	-42,309	7,902,003	-0-	26,638,699	253,096,772	384,985,750	100.0	100.0

<u>NDM SELLBACK TO THE TRADE</u>	<u>CENTRAL/EAST</u>	<u>WEST</u>	<u>TOTAL</u>	<u>PRICE</u>	<u>CUMULATIVE SINCE 1/1/04</u>
APRIL 12 - 13, 2004	3,074,896	-0-	3,074,896	\$.8388	75,668,366

NOTE: Sales of CCC-owned NDM to the trade for unrestricted use were suspended effective April 13.

SUPPORT PURCHASE PRICES FOR DAIRY PRODUCTS PRODUCED ON OR AFTER NOVEMBER 15, 2002

MANUFACTURING MILK Average Test 3.67% - \$9.90 per cwt.

BUTTER Bulk \$1.0500 per pound; 1# Prints \$1.0850

CHEESE 40 & 60# Blocks \$1.1314 per pound; 500# Barrels \$1.1014; Process American 5# \$1.1889; Process Am. 2# \$1.2289

NONFAT DRY MILK Nonfortified \$.8000 per pound; Fortified \$.8100; Instant \$0.9625

U.S. Dairy & Total Cow Slaughter under Federal Inspection, by Regions, for Week Ending 04/03/04 & Comparable Week 2003

Regions* (000 HEAD)	1	2	3	4	5	6	7	8	9	10	U.S. TOTAL		% DAIRY OF ALL	
											WEEK SINCE JAN 1	WEEK SINCE JAN 1		
2004-Dairy	0.0	0.7	7.4	2.1	16.1	2.6	0.5	1.0	10.1	2.8	43.2	688.2	47.1	49.8
2003-Dairy	0.2	0.8	7.6	4.7	22.3	2.7	0.3	1.0	13.9	3.0	56.4	810.9	50.6	49.9
2004-All cows	0.0	0.7	9.5	9.6	25.4	11.4	15.5	2.6	11.5	5.6	91.8	1,381.7		
2003-All cows	0.2	1.0	10.1	13.6	33.1	14.5	14.3	3.3	15.9	5.4	111.4	1,624.5		

SOURCE The slaughter data are gathered and tabulated in a cooperative effort by the Agricultural Marketing Service, The Food Safety and Inspection Service, and the National Agricultural Statistics Service, all of USDA.

CLASS III MILK PRICES, (3.5% BF)

YEAR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
2001	9.99	10.27	11.42	12.06	13.83	15.02	15.46	15.55	15.90	14.60	11.31	11.80
2002	11.87	11.63	10.65	10.85	10.82	10.09	9.33	9.54	9.92	10.72	9.84	9.74
2003	9.78	9.66	9.11	9.41	9.71	9.75	11.78	13.80	14.30	14.39	13.47	11.87

FEDERAL MILK ORDER CLASS PRICES FOR 2004 (3.5% BF)

CLASS	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
I 1/	11.85	11.59	11.94	13.64	19.65							
II	11.67	12.90	14.79									
III	11.61	11.89	14.49									
IV	10.97	12.21	14.10									

1/ Specific order differentials to be added to this base price are located at www.ams.usda.gov/dyfmoms/mib/cls_prod_cmp_pr.htm